

**THE STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION**

**DE 14-235
DE 14-236
DE 15-136**

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE d/b/a EVERSOURCE ENERGY

**Mid-Year Adjustment of Energy Service Rates
Mid-Year Adjustment of Average Stranded Cost Charges
Change in Transmission Cost Adjustment Mechanism**

ORDER OF NOTICE

Public Service Company of New Hampshire d/b/a Eversource Energy (Eversource) makes an annual filing in May of each year proposing mid-year adjustments to its energy service (ES) rate and its average stranded cost recovery charge (SCRC) rate, for effect with services delivered on and after July 1. Eversource develops an estimate of the ES and SCRC rates in its mid-year filing, and updates those estimates before the merits hearings. Also in May, Eversource files a petition to change its transmission cost adjustment mechanism (TCAM) rate. Eversource typically receives complete information on transmission costs early in June, and files testimony with proposed TCAM rates once that information is received.

On May 4, 2015, Eversource filed petitions to adjust its ES and SCRC rates, and on May 7, 2015, Eversource filed a petition to change the TCAM, for rates effective July 1, 2015.

A. ES RATE

Pursuant to RSA 369-B:3, IV(b)(I)(A), the price for Eversource's ES shall be its actual, prudent and reasonable costs of providing the power, as approved by the Commission. ES costs include generation asset revenue requirements, entitlements, and purchased power obligations. ES costs also includes the costs of compliance with the N.H. renewable portfolio standard (RPS)

(RSA 362-F) and the Regional Greenhouse Gas Initiative (RGGI) (RSA 125-O:19-28), as well as independent power producers (IPP) power valued at market prices, non-fuel operation and maintenance costs, property taxes and payroll taxes, depreciation, uncollectible costs attributable to energy service, and a return on generation investment.

As of May 4, 2015, Eversource estimated that the July 1, 2015 ES rate would be a decrease from 9.58 cents per kilowatt hour (kWh) to 7.96 cents per kWh, based on actual results through March 2015, and the most current forecast of Eversource's cost of providing such power for the remainder of 2015. In addition, the temporary rate of 0.98 cents to recover the costs associated with the installation of a wet flue gas desulphurization plant at Merrimack Station would continue unchanged. *See* Order No. 25,346 in Docket No. DE 11-250. As a result, the current ES rate of 10.56 cents per kWh would decrease to 8.94 cents per kWh. Eversource attributes the decrease to an ES over-recovery, due to lower actual and forecasted migration levels, and lower actual and forecasted market prices compared to their respective forecasted amounts in the December filing in this docket. In addition, Eversource forecasted lower compliance costs related to its RPS obligations. Eversource said it would update its estimate before the merits hearing.

B. SCRC RATE

The SCRC recovery mechanism was established pursuant to the Agreement to Settle PSNH (now Eversource) Restructuring in Docket No. DE 09-099 (Restructuring Agreement). The Restructuring Agreement defined Eversource's stranded costs and categorized them into three parts—Part 1, Part 2 and Part 3. Part 1 and Part 3 costs have been fully recovered. The remaining stranded costs are Part 2 costs, which represent “ongoing” stranded costs, and consist of the over-market value of energy purchased from IPPs, and the amortization of payments

previously made for IPP buy-downs and buy-outs as approved by the Commission. In addition, the Commission authorized Eversource to use the SCRC rate as a mechanism to rebate certain proceeds from the quarterly RGGI auctions to all customers. *See* Order No. 25,664.

Currently, the average SCRC rate is 0.223 cents per kWh, and the RGGI rebate is 0.113 cents per kWh, resulting in a combined rate of 0.110 cents per kWh.

Eversource stated that the SCRC rate is estimated to increase to 0.294 cents per kWh on July 1, 2015, primarily due to higher actual above-market IPP costs from November through March 2015, as well as higher forecasted above-market costs for the months of April through December 2015, as compared with the respective forecasts stated in the December 2014. In addition, the RGGI rebate will change from a credit of 0.113 cents per kWh to a credit of 0.123 cents per kWh. As a result, the combined average SCRC rate is estimated to be 0.117 cents per kWh, an increase of 0.061 cents per kWh over the current rate. Eversource said it would update its estimate prior to hearing.

C. TCAM

Pursuant to Order No. 24,750, Eversource requests approval of a forecasted retail TCAM rate to be effective July 1, 2015 for a 12-month billing period, as well as approval of the reconciliation of actual transmission costs and recoveries for calendar year 2014. These costs are allocated pursuant to a tariff approved by the Federal Energy Regulatory Commission. Eversource will have complete information on wholesale transmission rates early in June 2015, and will file testimony and exhibits in support of its proposed rate. Although Eversource does not currently have a calculation of a proposed TCAM rate, Eversource expects that the overall average rate will vary from the current overall average TCAM rate of 1.642 cents per kWh.

These filings raise, inter alia, issues related to whether the ES rate is based on Eversource's actual, prudent and reasonable costs of providing such service consistent with RSA 369-B:3, IV(b)(I)(A); whether Eversource's assumptions and estimates of stranded costs and revenues are reasonable; whether Eversource's reconciliation and forecasted transmission costs are reasonable and whether the proposed rates are reasonable and consistent with prior Commission orders; and whether the ES rate, the average SCRC rate, and the TCAM rate are just and reasonable as required by RSA 378:5 and 378:7. Each party has the right to have an attorney represent the party at the party's own expense.

Based upon the foregoing, it is hereby

ORDERED, that pursuant to N.H. Code Admin. Rules Puc 203.12, hearings be held on the above-captioned dockets before the Commission located at 21 S. Fruit St., Suite 10, Concord, New Hampshire on June 17, 2015 at 9:00 a.m., in the following sequence: DE 14-236, 14-235 and 15-136.; and it is

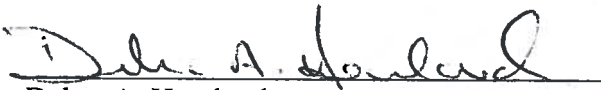
FURTHER ORDERED, that pursuant to N.H. Code Admin. Rules Puc 203.12, Eversource shall notify all persons desiring to be heard at this hearing by publishing a copy of this Order of Notice no later than May 20, 2015, in a newspaper with general circulation in those portions of the state in which operations are conducted, publication to be documented by affidavit filed with the Commission on or before June 14, 2015; and it is

FURTHER ORDERED, that consistent with N.H. Code Admin. Rules Puc 203.17 and Puc 203.02, any party seeking to intervene in the proceeding shall submit to the Commission seven copies of a Petition to Intervene with copies sent to Eversource and the Office of the Consumer Advocate on or before June 14, 2015, such Petition stating the facts demonstrating

how its rights, duties, privileges, immunities or other substantial interest may be affected by the proceeding, as required by N.H. Code Admin. Rule Puc 203.17 and RSA 541-A:32,I(b); and it is

FURTHER ORDERED, that any party objecting to a Petition to Intervene make said Objection on or before June 17, 2015.

By order of the Public Utilities Commission of New Hampshire this twelfth day of May, 2015.

A handwritten signature in black ink, appearing to read "Debra A. Howland", is written over a horizontal line.

Debra A. Howland
Executive Director

Individuals needing assistance or auxiliary communication aids due to sensory impairment or other disability should contact the Americans with Disabilities Act Coordinator, NHPUC, 21 S. Fruit St., Suite 10, Concord, New Hampshire 03301-2429, 603-271-2431; TDD Access: Relay N.H. 1-800-735-2964. Notification of the need for assistance should be made one week prior to the scheduled event.